

CAPITOL OFFICE  
STATE CAPITOL, ROOM 5108  
SACRAMENTO, CA 95814  
TEL (916) 651-4023  
FAX (916) 324-4823

DISTRICT OFFICES  
10951 WEST PICO BLVD., SUITE 202  
LOS ANGELES, CA 90064  
TEL (310) 441-9084  
FAX (310) 441-0724

300 WEST THIRD ST., 4TH FLOOR  
OXNARD, CA 93030  
TEL (805) 486-3776  
FAX (805) 486-4279

# California State Senate

SENATOR  
**SHEILA JAMES KUEHL**  
TWENTY-THIRD SENATE DISTRICT

CHAIR  
NATURAL RESOURCES AND WATER COMMITTEE



## COMMITTEES:

BUDGET AND FISCAL REVIEW  
ENVIRONMENTAL QUALITY  
GOVERNMENT MODERNIZATION,  
EFFICIENCY & ACCOUNTABILITY  
HEALTH  
JUDICIARY  
LABOR & INDUSTRIAL RELATIONS  
LOCAL GOVERNMENT

## SUBCOMMITTEES:

CHAIR, BUDGET & FISCAL REVIEW,  
SUBCOMMITTEE 2 ON RESOURCES,  
ENVIRONMENTAL PROTECTION  
AND ENERGY

HEALTH SUBCOMMITTEES ON  
AGING & LONG TERM CARE  
STEM CELL RESEARCH OVERSIGHT

NATURAL RESOURCES  
SUBCOMMITTEE ON DELTA  
RESOURCES

## SELECT COMMITTEES:

CHAIR, HEALTH INSURANCE CRISIS  
IN CALIFORNIA

CHAIR, SCHOOL SAFETY  
CALIFORNIA CORRECTIONAL  
SYSTEM

DEVELOPMENTAL DISABILITIES  
& MENTAL HEALTH

PERCHLORATE CONTAMINATION

## JOINT COMMITTEE:

JOINT COMMITTEE ON THE ARTS

## LEWIN GROUP REPORT RELEASE OF The Health Care for All Californians Act: Cost and Economic Impacts Analysis FACT SHEET

August 11, 2006

- The Lewin report, prepared by an independent firm with 18 years of experience in healthcare cost analysis, affirms that we can create a fiscally sound, reliable state insurance plan that covers all Californians and controls health cost inflation.
- The Lewin report shows that all California residents can have affordable health insurance; and that, on average, individuals, families, businesses and the state of California, all of whom are now burdened with rising insurance costs, will save money.
- In February 2005, State Senator Sheila Kuehl (D-23) introduced the California Health Insurance Reliability Act (CHIRA), based on these findings. CHIRA, based on the Lewin Report model will insure every Californian and allow everyone to choose his or her own doctor.

### SAVINGS OVERALL

- The Lewin report model would achieve universal coverage while actually reducing total health spending for California by about \$8 billion in the first year alone. Savings would be realized in two ways:
  1. The Act would replace the current system of multiple public and private insurers with a single, reliable insurance plan. This saves about \$20 billion in administrative costs.
  2. California would buy prescription drugs and durable medical equipment (e.g., wheelchairs) in bulk and save about \$5.2 billion.

## **SAVING FOR STATE AND LOCAL GOVERNMENTS**

- In addition, state and local governments would save about \$900 million, in the first year, in spending for health benefits provided to state and local government workers and retirees.
- Aggregate savings to state and local governments from 2006 to 2015 would be about \$43.8 billion.

## **SAVINGS FOR BUSINESSES**

- Employers who currently offer health benefits would realize average savings of 16% compared to the current system.

## **SAVINGS FOR FAMILIES**

- Average family spending for health care is estimated to decline to about \$2,448 per family under the Act in 2006, which is an average savings of about \$340 per family.
- Families with under \$150,000 in annual income would, on average, see savings ranging between \$600 and \$3,000 per family under the program in 2006.

## **COST CONTROLS**

- By 2015, health spending in California under the Act would be about \$68.9 billion less than currently projected. Total savings over the 2006 through 2015 period would be \$343.6 billion.
- Savings to state and local governments over this ten-year period would be about \$43.8 billion.

## **COMPREHENSIVE BENEFITS**

- The Lewin Report assumes an insurance plan that covers medical, dental and vision care; prescription drug; emergency room services, surgical and recuperative care; orthodontia; mental health care and drug rehabilitation; immunizations; emergency and other necessary transportation; laboratory and other diagnostic services; adult day care; all necessary translation and interpretation; chiropractic care, acupuncture, case management and skilled nursing care.

## **EFFICIENCIES**

- The Lewin Report shows that efficiencies in the system make these superior benefits available while generating savings.

## **FREEDOM TO CHOOSE**

- The Lewin Report model assumes the consumer's freedom to choose his or her own care providers. This means that each Californian will be free to change jobs, start a family, start a business, continue education and or change residences, secure in the knowledge that his or her relationships with trusted caregivers will be secure.